



CT DEPT. OF LABOR: UNEMPLOYMENT RATE DOWN FOR THIRD CONSECUTIVE MONTH, STATE TRIGGERS OFF HIGH EXTENDED BENEFITS

(WETHERSFIELD, CT) – Connecticut Department of Labor (CTDOL) Commissioner Kurt Westby today announced that the state’s unemployment rate is down for a third consecutive month. The federal Bureau of Labor Statistics (BLS) puts the unemployment rate at 6.1%, down from 7.8% in September; however the state’s economists estimate the real unemployment rate is closer to 11%, down from 12-13% [last month](#). The falling unemployment rate pushes the state off the High Extended Benefit period by bringing the three-month average unemployment rate below 8% — a federal threshold that authorizes an additional seven weeks of benefits to unemployment and Pandemic Unemployment Assistance (PUA) claimants. The state triggered on to [High Extended Benefits period](#) in August when its three-month average unemployment rate was above 8%.

Commissioner Westby said, “A falling unemployment rate is generally good economic news, however, like all things in 2020, this situation is far more complex. The federal unemployment figures are artificially low—in this case they also have an outsized impact on claimants who need those extra benefit weeks that are available during periods of high unemployment. We expect the U.S. Department of Labor to notify us shortly that the High Extended Benefits period has ended. In turn, over the next few weeks we will notify the claimants who will begin to lose benefits.”

Once the state triggers off High Extended Benefits, claimants who are currently using those benefits will have two weeks remaining before their benefit payments end. The agency expects that some customers will see a loss of benefits as of the week ending December 12, 2020. Customers who have exhausted their benefits may apply for a second benefit year upon expiration of their first benefit year. The [claimant’s guide to benefits](#) outlines eligibility and conditions related to applying for a second year of benefits. About 188,000 people certify weekly claims.

Topline points from the report:

- Unemployment rate went from 7.8% in September to 6.1% in October.
- Connecticut economists estimate the real unemployment rate is around 11%, down from 12-13%.
- Connecticut gained an estimated 14,100 payroll jobs.
- Trade, transportation, utilities, hospitality, and leisure sectors saw the most job gains.

Patrick Flaherty, CTDOL Acting Director of Research, said, “This report highlights the resiliency of the restaurant industry. Among the hardest hit during the pandemic, restaurants are coming back and have gained more than 70% of the jobs lost over the past seven months. People will always want to go out to eat, so it’s likely that the industry will fully recover. This trend stands in stark contrast to the retail industry—even pre-pandemic this economic sector was challenged by the move towards online shopping. There is a silver lining here though, delivery jobs tend to pay more than retail, so better balancing delivery with in-store retail will help to bolster individual income.”

CTDOL has made available video clips featuring Director Flaherty discussing:

[Labor Market Overview](#)

[Labor Market Trends](#)

[Labor Market Additional Information](#)



LABOR SITUATION
Office of Research
Kurt Westby, Commissioner

FOR IMMEDIATE RELEASE

October 2020 Data
CT Unemployment Rate = 6.1%
US Unemployment Rate = 6.9%

Connecticut adds 14,100 payroll jobs as unemployment falls 1.6% points to 6.1%

WETHERSFIELD, November 19, 2020 – The state of Connecticut got back 14,100 additional nonfarm payroll jobs in October 2020 (up 0.9%) after a revised 18,000 increase in September. Over the year, nonfarm industry employment in the state has fallen by 89,800 (-5.3%) positions to 1,600,200 seasonally adjusted. The preliminary September 2020 job gain of 17,000 was revised higher by 1,000 jobs. These are the nonfarm industry job estimates from the establishment survey overseen by the US Bureau of Labor Statistics (BLS).

“Nearly all sectors added jobs in October, and Connecticut has now regained more than two-thirds of the private sector jobs that were lost in March and April. Transportation and Warehousing is more than 90% recovered,” said Patrick Flaherty, Acting Director of the Office of Research at the Connecticut Department of Labor. “The drop in the unemployment rate is consistent with other data, but the level of the unemployment rate is lower than would be indicated by the number of unemployment insurance claims.”

Private sector employment increased by 11,200 (0.8%) to 1,376,400 jobs in October but remains lower by 76,800 (-5.3%) jobs from October 2019. The **government supersector** regained 2,900 jobs in October (1.3%) to a total of 223,800 but is lower by 13,000 jobs (-5.5%) over the year. The local government (4,600, 3.4%) segment continues to regain positions making up for a large federal government employment (-1,600) decline from the Census completion. State government (-100, -0.2) had a smaller job loss in October. The **government supersector** includes all federal, state and local employment, including public education and Native American casino employment located on tribal land.

Nine of the ten major industry *supersectors* had employment gains in October.

Increasing Sectors			
Industry Sector	Amount of Increase	Percent Change	October 2020 Employment
Trade, Transportation & Utilities	+4,400	1.6%	282,900
Leisure & Hospitality	+3,600	2.8%	132,100
Government	+2,900	1.3%	223,800
Other Services	+1,200	2.1%	57,500
Financial Activities	+800	0.7%	120,300
Professional & Business Services	+500	0.2%	214,200
Information	+400	1.4%	30,000
Manufacturing	+400	0.3%	156,300
Education & Health	+300	0.1%	325,500

One industry *supersector* underwent a decline.

Declining Sector			
Industry Sector	Amount of Decrease	Percent Change	October 2020 Employment
Construction and Mining	-400	-0.7%	57,600

Connecticut Labor Market Areas (LMAs): Five of the six *LMAs* seasonally adjusted by the Bureau of Labor Statistics showed employment increases in October 2020, while the **Danbury LMA** (-0.7%, 72,300) lost 500 jobs. The **New Haven LMA** (1.5%, 277,100) grew by 4,200 positions for the *largest monthly gain*. The **Bridgeport-Stamford-Norwalk LMA** (0.9%, 369,800) was next adding 3,300 positions. The **Norwich–New London–Westerly LMA** (1.8%, 116,900) chipped in a 2,100 job increase for the *largest monthly percentage gain*. The **Hartford LMA** (0.2%, 555,900) posted a monthly increase of 1,000 and the **Waterbury LMA** (0.3%, 61,400) increased by 200.

Note: The six major Connecticut LMAs are estimated independently from the statewide data by the BLS and cover more than 90% of the nonfarm employment in the state. Thus, estimates will not fully sum to the statewide total.

Hours and Earnings: The **private sector** workweek, not seasonally adjusted, averaged 34.1 hours in October 2020, up two-tenths of an hour from the same month a year ago (0.6%). Average hourly earnings at \$34.08, not seasonally adjusted, were up \$0.89 (2.7%) from the October 2019 estimate (\$33.19). Average private sector weekly pay amounted to \$1,162.13, up \$36.99 from a year ago (3.3%). The 12-month percentage change in the Consumer Price Index for All Urban Consumers (CPI-U, U.S. City Average, not seasonally adjusted) in October 2020 was 1.2%. Information for the manufacturing production workweek and earnings can be found in the table section of this release under the “Hours and Earnings” data category. *Current all-employee private sector hours and earnings estimates can be volatile due to fluctuating sample responses.*

Labor Force Data (residential household survey)

The October 2020 official unemployment rate for Connecticut was estimated by the BLS Local Area Unemployment Statistics program (LAUS) to be 6.1% (seasonally adjusted), down 1.6 percentage points from the revised September level of 7.7%. The Connecticut unemployment rate was 3.8% for October 2019. The US jobless rate in October 2020 was 6.9%, down 1.0 percentage points from September's rate of 7.9%.

An analysis of unemployment insurance claims suggests that the official BLS estimate continues to understate the level of unemployment in Connecticut. **The Office of Research estimates the unemployment rate to be in the range of 10% - 11% for the Mid-October period (same time frame as the BLS estimate).**

This estimate was made using Connecticut residential unemployment insurance claims and an estimate of the unemployed self-employed.

Unemployment claims for first-time filers in Connecticut were an average of 7,016 per week in October, down 475 from September (-6.3%) but higher by 3,778 claims (116.7%) from the October 2019 level of 3,238.

*The nonfarm employment estimate, derived from a survey of businesses, is a measure of jobs in the state; the unemployment rate and labor force estimates are based on a household survey, and measure the work status of people who live in Connecticut. Overall, as the national and state economies recover, volatility in monthly numbers can be expected. **Job and employment estimates are best understood in the context of their movement over several months rather than observed changes in a single month's value.***

Next Connecticut Labor Situation release: Thursday, December 17, 2020 (November 2020, preliminary data)

Media Contact: CTDOL Communications Unit

200 Folly Brook Boulevard, Wethersfield, CT 06109-1114
Email: CTDOL.SocialMedia(@)ct.gov | <http://www.ct.gov/dol>



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